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SUBJECT: BIOTECH SOY: AUSTRIAN FEED INDUSTRY PRESSES GOA

REF: STATE 86566

¶1. (SBU) Neither the Economic Ministry nor the Agriculture Ministry, which has the lead within the GOA on the feed imports, would respond to the soy demarche (reftel). The head of the Department for Plant Production Monika Stangl told us the GoA is currently still determining its position for the Agriculture Council meeting on September 7 through an inter-agency process. She said that because of the "sensitivity" of the issue, the GoA could give neither a formal nor informal reply prior to the meeting.

¶2. (SBU) However, Gabriele Benedikter, a policy expert for Austria's feed in industry, was much more communicative. She said that the feed importers, and actually the entire agriculture trade community, were suffering from "repeated" suspensions of soy product imports due to accidental biotech corn dust. Austria imports approximately 550,000 tons of soybeans (90% of which is biotech) for feed every year. 8% is imported from the U.S., while the remainder comes from Brazil and Argentina. Meat and dairy production are heavily dependent on these soy imports because soybeans (and rape seed) cannot be grown in sufficient quantities in Austria.

¶3. (SBU) Benedikter said the Austrian Economic Chamber has drafted a letter to Agriculture Minister Berlakovich which demands that he not block a solution at the Council meeting next week. She said that the Austrian feed industry wishes to move from the "zero tolerance" policy to a "reasonable threshold" policy for genetically modified organisms (GMOs) in imports. It also wants a general import permission to be granted to all EU countries for all EU-approved GMO soybeans.

¶4. (U) Another possible angle that Austria may take on the soy problem was floated by right-wing (FPOe) politician, Norbert Hofer, who proposed paying farmers 50 euros per ton for using non-biotech soy animal feed. Because biotech soy feed is about 10 percent cheaper than conventional soy, he argues that the GOA should compensate farmers who help keep Austria "free of genetic engineering."

¶5. (SBU) Comment: The Austrian feed industry is trying to put pressure on the GoA to pursue a less restrictive anti-biotech policy. Given previous experience, however, we do not expect the Agriculture Ministry to change its "zero tolerance" position immediately. But, the Austrians may at least negotiate more flexibly with other EU countries on the import suspension issue.
End comment

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